

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019

1-4

Page 1	Page 3
<p>1 UNITED STATES BANKRUPTCY COURT</p> <p>2 Eastern District of New York</p> <p>3 In re Tashanna B. Golden f/k/a Tashanna B.</p> <p>4 Pearson, Case No. 16-40809-ess</p> <p>5 Debtor Chapter 7</p> <p>6 Adv. Proc. No. 17-01005-ess</p> <p>7 Tashanna B. Golden f/k/a Tashanna B. Pearson</p> <p>8 Plaintiff</p> <p>9 V.</p> <p>10 Nat'l Collegiate Student Loan Trust 2005-3,</p> <p>11 et al.,</p> <p>12 Defendants</p> <p>13 ~~~~~</p> <p>14 30(B)(6) DEPOSITION OF THE FIRST MARBLEHEAD</p> <p>15 CORPORATION THROUGH CARLIN GOLDEN</p> <p>16 NOVEMBER 20, 2019</p> <p>17 1:10 P.M.</p> <p>18</p> <p>19 K&L GATES</p> <p>20 1 LINCOLN STREET</p> <p>21 BOSTON, MASSACHUSETTS 02111</p> <p>22</p> <p>23</p> <p>24 Stephanie Mussen, Professional Shorthand Reporter</p>	<p>1 EXAMINATION INDEX</p> <p>2 EXAMINATION OF CARLIN GOLDEN</p> <p>3 BY MR. FREIBERG 5</p> <p>4 EXHIBIT INDEX</p> <p>5 Exhibit 1</p> <p>6 Subpoena to Testify at a Deposition in a 4</p> <p>7 Bankruptcy Case</p> <p>8 Exhibit 2</p> <p>9 First Marblehead DTC Over Borrowing 4</p> <p>10 Prevention User Guide</p> <p>11 Exhibit 3</p> <p>12 Over Borrowing Controls 4</p> <p>13 Exhibit 4</p> <p>14 Borrowing History 4</p> <p>15 Exhibit 5</p> <p>16 Client Services 4</p> <p>17 Exhibit 6</p> <p>18 Client Services 4</p> <p>19 Exhibit 7</p> <p>20 Client Services 4</p> <p>21 Exhibit 8</p> <p>22 Client Services 4</p> <p>23 Exhibit 9</p> <p>24 Client Services 4</p> <p>25 Exhibit 10</p> <p>26 Client Services 4</p> <p>27 Exhibit 11</p> <p>28 Client Services 5</p> <p>29 Exhibit 12</p> <p>30 Amended and Restated Guaranty Agreement 27</p> <p>31 Between the Education Resources</p> <p>32 Institute, Inc. and Bank One, National</p> <p>33 Association</p> <p>34</p> <p>(Exhibits retained by Attorney Freiberg.)</p>
Page 2	Page 4
<p>1 APPEARANCES:</p> <p>2 ON BEHALF OF THE PLAINTIFF:</p> <p>3 PETER N. FREIBERG, ESQ.</p> <p>4 Jones Swanson Huddell & Garrison</p> <p>5 601 Poydras Street, Suite 2655</p> <p>6 New Orleans, Louisiana 70130</p> <p>7 504.523.2500</p> <p>8 pfreiberg@jonesswanson.com</p> <p>9 ON BEHALF OF THE DEFENDANTS:</p> <p>10 CHRISTOPHER FONTENELLI, ESQ.</p> <p>11 Locke Lord LLP</p> <p>12 Brookfield Place</p> <p>13 200 Vesey Street, 20th Floor</p> <p>14 New York, New York 10281</p> <p>15 212.912.2730</p> <p>16 cfontenelli@lockelord.com</p> <p>17 ON BEHALF OF THE WITNESS:</p> <p>18 DAVID E. FIALKOW, ESQ.</p> <p>19 K&L Gates</p> <p>20 1 Lincoln Street</p> <p>21 Boston, Massachusetts 02111</p> <p>22 617.261.3126</p> <p>23 david.fialkow@klgates.com</p> <p>24 ALSO PRESENT BY TELEPHONE:</p> <p>25 R.J. De Rose, III, Locke Lord, LLP</p> <p>26 Lynn Swanson, Jones Swanson Huddell</p> <p>27 & Garrison</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p>	<p>1 DEPOSITION OF CARLIN GOLDEN</p> <p>2 NOVEMBER 20, 2019</p> <p>3 * * * * *</p> <p>4 (Exhibit 1, Subpoena to Testify at</p> <p>5 a Deposition in a Bankruptcy Case, marked for</p> <p>6 identification.)</p> <p>7 (Exhibit 2, First Marblehead DTC</p> <p>8 Over Borrowing Prevention User Guide, marked for</p> <p>9 identification.)</p> <p>10 (Exhibit 3, Over Borrowing</p> <p>11 Controls, marked for identification.)</p> <p>12 (Exhibit 4, Borrowing History,</p> <p>13 marked for identification.)</p> <p>14 (Exhibit 5, Client Services,</p> <p>15 marked for identification.)</p> <p>16 (Exhibit 6, Client Services,</p> <p>17 marked for identification.)</p> <p>18 (Exhibit 7, Client Services,</p> <p>19 marked for identification.)</p> <p>20 (Exhibit 8, Client Services,</p> <p>21 marked for identification.)</p> <p>22 (Exhibit 9, Client Services,</p> <p>23 marked for identification.)</p> <p>24 (Exhibit 10, Client Services,</p>

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019
13-16

<p style="text-align: right;">Page 13</p> <p>1 Q. In that time frame, say, between 2001 and 2 2005, were borrowers able to submit loan 3 applications online? 4 A. Yes. 5 Q. Was that through the website teri.org? 6 A. I believe so. 7 Q. What other means were available to 8 borrowers to submit loan applications? 9 MR. FONTENELLI: Objection. 10 A. They could submit a paper application. 11 Q. Can you tell us in that time frame, say, 12 between 2001 and 2005, what percentage of 13 applications were submitted online versus paper 14 applications? 15 A. I don't know exactly. I know that the 16 online application, the volume was much higher than 17 the paper applications. 18 Q. Would it be fair to state that the online 19 application process was the preferred method by 20 borrowers, if you know? 21 A. Yes. Actually, I have to go back. We did 22 actually have it -- for a period, you could call and 23 put your application in as well, so we could take it 24 by phone.</p>	<p style="text-align: right;">Page 15</p> <p>1 A. So once the application was submitted, we 2 would pull a credit report in most instances 3 depending on the program guidelines. The system -- 4 the credit decision system would make a decision or 5 send the loan to review. So basically, it was 6 credit criteria that had to be met. If they passed 7 the credit criteria, they would have to send in 8 documentation such as income documentation. 9 Q. You said the credit decision system? 10 A. Yes. 11 Q. There was essentially -- tell me if I'm 12 wrong here -- kind of an application that 13 automatically reviewed borrower's applications? 14 A. Correct. 15 Q. By that, I mean a computer application. 16 A. Exactly. 17 Q. Did the criteria that the borrowers were 18 required to submit include information about other 19 student loans that they had applied for or received 20 for the same school year? 21 MR. FONTENELLI: Objection. 22 A. On the application, no. 23 Q. Was there any additional criteria that was 24 requested of the borrowers after their application</p>
<p style="text-align: right;">Page 14</p> <p>1 Q. Online, paper, and call? 2 A. Correct. 3 Q. But the online application process was 4 used -- and I understand you can't give us an exact 5 figure, but most of the time by the borrowers? 6 A. I couldn't say most of the time. I don't 7 know the actual numbers. 8 Q. How did the borrower submit paper 9 applications? 10 A. They would mail them in and maybe fax. 11 Probably fax as well. It's been a while. 12 Q. They could also do it by way of phone? 13 A. Correct. 14 Q. I'm going to jump ahead a little bit here. 15 Let me ask you this: Were the applications 16 essentially all the same; that is the online 17 application, the paper application, and the call-in 18 applications requested all of the same information? 19 A. The criteria was the same. 20 Q. The criteria that the borrower had to 21 submit? 22 A. Correct. 23 Q. What type of criteria did the borrower have 24 to submit?</p>	<p style="text-align: right;">Page 16</p> <p>1 that requested information about other loans that 2 the borrower had obtained for that particular school 3 year? 4 MR. FIALKOW: Just objection. Are 5 you speaking of applications generally, or any 6 particular types of applications at this point? I 7 just want the answers to be accurate. 8 Q. Let me backtrack. A second ago, you said 9 that the -- please correct me if I'm wrong, the 10 initial criteria that the borrower had to submit did 11 not include whether or not the borrower had other 12 student loans for that particular year? 13 MR. FONTENELLI: Objection. 14 A. So the application data that was submitted 15 did not require them to enter anything about other 16 loans or sources of funding. 17 Q. Was there anything following the initial 18 application that a borrower submitted whereby FMER 19 would ask for information related to other loans 20 that the borrower had? 21 MR. FONTENELLI: Objection. 22 A. We didn't -- so let's see. So we didn't 23 request from the borrower anything about other loans 24 that they had.</p>

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019
17-20

<p style="text-align: right;">Page 17</p> <p>1 Q. Correct. After the initial application was 2 submitted by the borrower. 3 MR. FONTENELLI: Objection. 4 A. It would depend on the loan program. 5 Q. What do you mean by that? 6 A. So for a school-certified loan, the school 7 would certify the cost of attendance less than any 8 other types of funding sources. A direct consumer 9 loan, we would obtain enrollment verification but 10 also check our system to confirm that they didn't 11 exceed what was documented in the program guidelines 12 for the year. 13 Q. Okay. For purposes of having a clean 14 record, when you say "school-certified loan," what 15 do you mean by that? 16 A. That means once the borrowers received -- 17 once the borrowers submitted all their 18 documentation, we were good from the borrower's 19 perspective and received all the underwriting 20 documentation needed and the loan was ready to 21 progress, meaning we wanted to approve it, we send a 22 certification request to the school, and the school 23 would actually have to certify the student's need. 24 Q. And the school's certification to FMER</p>	<p style="text-align: right;">Page 19</p> <p>1 certify the balance. 2 Q. As part of the school certification 3 process? 4 A. Correct, but that would be up the 5 individual school. 6 Q. The other, I guess, you could say subset of 7 loans are what we refer to as direct-to-consumer 8 loans. Are you familiar with that term? 9 A. Correct. 10 Q. For a direct-to-consumer loan, when -- 11 maybe you can just tell me what a direct-to-consumer 12 loan is. 13 A. A direct-to-consumer loan was a loan for 14 educational purposes that was funded directly to the 15 borrowers. 16 Q. Meaning the disbursement was made directly 17 to the borrowers? 18 A. Correct. 19 Q. And for a direct-to-consumer loan that is 20 disbursed directly to the borrowers, generally, what 21 type of information did the -- did FMER obtain 22 before disbursing that loan? 23 MR. FONTENELLI: Objection. 24 A. They -- so they would have to submit an</p>
<p style="text-align: right;">Page 18</p> <p>1 included the cost of attendance for the school less 2 other loans that that borrower had obtained? 3 MR. FONTENELLI: Objection. 4 A. You would have to look at program 5 guidelines to confirm exactly what the school was 6 certifying. 7 Q. But the school was certifying what the cost 8 of attendance was; is that correct? 9 MR. FONTENELLI: Objection. 10 A. Correct. 11 Q. I understand it depends upon the particular 12 loan program, but generally speaking, did the school 13 certification also let FMER know what other loans 14 the borrower had obtained for that school year? 15 MR. FONTENELLI: Objection. 16 A. The school would make the determination on 17 what the cost of attendance was for that year based 18 on what's in the program guidelines. 19 Q. To your understanding, would the school 20 make that decision -- that determination based upon 21 other loans that the student had for that year? 22 A. My understanding is if they had any other 23 types of funding sources for the year, that would be 24 subtracted from the cost, and they would only</p>	<p style="text-align: right;">Page 20</p> <p>1 application online. We would do the credit 2 underwriting based on all the credit criteria. We'd 3 obtain income documentation from the creditworthy 4 applicants, potentially ID documentation, 5 identification, driver's license, things like that, 6 and enrollment verification. 7 Q. For direct-to-consumer loans, was the 8 enrollment verification obtained from the school or 9 from the borrower? 10 A. From the borrower. 11 Q. For these types of direct-to-consumer 12 loans, was the borrower ever required to submit 13 information about other loans than he or she had for 14 that particular school year? 15 MR. FONTENELLI: Objection. 16 A. The borrower was not required. 17 Q. Did FMER do any type of research, 18 investigation, something along those lines to 19 determine whether or not the borrower had other 20 loans for that particular school year? 21 MR. FONTENELLI: Objection. 22 A. Internally we did to see if it was a loan 23 that we originated. 24 Q. Did FMER do any type of external search or</p>

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019
21-24

<p style="text-align: right;">Page 21</p> <p>1 investigation to determine whether or not there were</p> <p>2 other loans that the borrower had for that year that</p> <p>3 FMER had not originated?</p> <p>4 MR. FONTENELLI: Objection.</p> <p>5 A. I don't recall.</p> <p>6 Q. So for example, if a borrower applied for a</p> <p>7 loan through FMER and -- one of the loan programs,</p> <p>8 and he or she also had a loan for that year from</p> <p>9 Navient, for example -- are you familiar with</p> <p>10 Navient?</p> <p>11 A. Uh-huh.</p> <p>12 Q. -- would FMER know about the Navient loan?</p> <p>13 MR. FONTENELLI: Objection.</p> <p>14 MR. FIALKOW: You can answer if</p> <p>15 you understand.</p> <p>16 Q. Let me try to rephrase it differently,</p> <p>17 break it down a little bit.</p> <p>18 So FMER had knowledge or knew about other</p> <p>19 loans that the borrower had that it had originated?</p> <p>20 A. Correct.</p> <p>21 Q. So if a borrower had a loan from Navient</p> <p>22 for that year, that same year, would FMER know about</p> <p>23 it?</p> <p>24 A. No.</p>	<p style="text-align: right;">Page 23</p> <p>1 A. Not unless it was an internal originated</p> <p>2 loan.</p> <p>3 Q. I should maybe clarify that question. Any</p> <p>4 external loans that the borrower had.</p> <p>5 A. No.</p> <p>6 Q. So the only information about other loans</p> <p>7 that FMER had was loans that it had also originated?</p> <p>8 A. Correct.</p> <p>9 Q. Ms. Golden, are you familiar with the term</p> <p>10 "cost of attendance"?</p> <p>11 MR. FONTENELLI: Objection.</p> <p>12 A. Yes.</p> <p>13 Q. What is the cost of attendance?</p> <p>14 MR. FONTENELLI: Objection.</p> <p>15 Q. What is your understanding of what the cost</p> <p>16 of attendance means?</p> <p>17 A. The amount it costs to go to school for a</p> <p>18 period of time.</p> <p>19 Q. The cost of attendance is generally</p> <p>20 calculated by a school year; is that fair to state?</p> <p>21 A. I would think so.</p> <p>22 Q. Who determines what the cost of attendance</p> <p>23 is at a particular university --</p> <p>24 MR. FONTENELLI: Objection.</p>
<p style="text-align: right;">Page 22</p> <p>1 MR. FIALKOW: Just for</p> <p>2 clarification, are you speaking only of the DTC</p> <p>3 loans right now?</p> <p>4 MR. FREIBERG: Correct. We're</p> <p>5 talking about the DTC loans. Thank you for that,</p> <p>6 David.</p> <p>7 Q. If a borrower had -- in the same situation,</p> <p>8 if a borrower had a loan from a state agency, would</p> <p>9 FMER know about that other loan?</p> <p>10 MR. FONTENELLI: Objection.</p> <p>11 A. No.</p> <p>12 Q. If a borrower had a loan from -- a</p> <p>13 federally-backed loan -- and again, we're talking</p> <p>14 about the direct-to-consumer loans -- would FMER</p> <p>15 know about that upon origination?</p> <p>16 MR. FONTENELLI: Objection.</p> <p>17 A. No.</p> <p>18 Q. Would it be correct to state, and please</p> <p>19 correct me if I'm wrong, but for these</p> <p>20 direct-to-consumer loans, FMER did not have in its</p> <p>21 possession when it disbursed the loans any</p> <p>22 information about other loans that the borrowers</p> <p>23 have?</p> <p>24 MR. FONTENELLI: Objection.</p>	<p style="text-align: right;">Page 24</p> <p>1 Q. -- or school?</p> <p>2 A. In relation to these loans?</p> <p>3 Q. Correct.</p> <p>4 MR. FONTENELLI: Objection.</p> <p>5 A. The -- I guess the guidelines would have</p> <p>6 dictated.</p> <p>7 Q. Let me step back for one second. The</p> <p>8 series of questions I was just asking you about,</p> <p>9 FMER knowing of other school loans --</p> <p>10 A. Right.</p> <p>11 Q. -- did that apply generally to all of the</p> <p>12 loan programs that FMER was implementing in this</p> <p>13 time frame of, say, 2001 to 2010?</p> <p>14 MR. FONTENELLI: Objection.</p> <p>15 A. So knowing -- so us knowing about external</p> <p>16 loans?</p> <p>17 Q. Yes.</p> <p>18 A. So again, there's a distinction between</p> <p>19 school channel and direct to consumer. So school</p> <p>20 channel loans would -- I should say likely that</p> <p>21 would have been taken into account for any loan</p> <p>22 period that the school was certifying. For</p> <p>23 direct-to-consumer loans, because they were direct</p> <p>24 to consumer, that would not have been taken into</p>

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019
81-84

<p style="text-align: right;">Page 81</p> <p>1 Bates-numbered 1442. There's a screen that talks 2 about why check for over-borrowing. And by the way, 3 Ms. Golden, this document we're looking at, if I'm 4 reading correctly, it's a loan origination training 5 presentation -- 6 A. Correct. 7 Q. -- for the analysts to use? 8 A. Yes. 9 Q. In the screen, it talks about why check for 10 over-borrowing. The first thing says, "We check for 11 over-borrowing for all loans to make sure borrowers 12 are not exceeding either the annual or aggregate 13 borrowing limits." 14 And the annual and aggregate borrowing 15 limits that you're referring to are those contained 16 in the loan program guidelines; correct? 17 A. Yes. 18 Q. In this period of time, June of 2005, did 19 First Marblehead check for over-borrowing to make 20 sure that the borrowers were not exceeding the 21 cost -- the published cost of attendance at their 22 schools? 23 MR. FONTENELLI: Objection. 24 A. We check for over-borrowing to ensure that</p>	<p style="text-align: right;">Page 83</p> <p>1 outside of what she's here for. 2 Q. Let me just ask you this: When it says 3 "maintaining overall asset quality" -- "Preventing 4 over-borrowing is critical towards maintaining our 5 overall asset quality," what does that mean? 6 MR. FIALKOW: Same objection. 7 A. So the program guidelines document what the 8 asset should look like, and it's up to us to ensure 9 that we follow the guidelines to originate an asset 10 that's documented in the program guidelines. 11 Q. If over-borrowing occurs, is that -- that 12 was considered a processing error -- a serious 13 processing error? 14 MR. FIALKOW: Objection. 15 MR. FONTENELLI: Objection. 16 MR. FIALKOW: You can answer. 17 A. We were tasked with following the program 18 guidelines. Our analysts are tasked with following 19 the program guidelines, so any error they made that 20 wasn't following the program guidelines was 21 classified as probably serious. 22 Q. Was there some way by which FMER tracked 23 the errors that were made by the analysts, the 24 processing errors?</p>
<p style="text-align: right;">Page 82</p> <p>1 we're following the program guidelines. 2 Q. But did it do an independent check to make 3 sure that the borrowers weren't borrowing more than 4 what the school says it cost to go -- as the school 5 published as its cost of attendance? 6 MR. FONTENELLI: Objection. 7 A. We were utilizing the -- we were checking 8 to make sure they were not exceeding what was 9 documented in the program guidelines. 10 Q. The second bullet point says, "Preventing 11 over-borrowing is critical towards maintaining our 12 overall asset quality, which in turn has a direct 13 impact on the securitization process." What does 14 that mean? 15 A. To me, what does that mean? 16 Q. If you can tell us what that means in a 17 corporate capacity. 18 MR. FIALKOW: I'm going to object 19 because I think it's related as it goes to 20 over-borrowing, but when it starts to get into the 21 securitization process, I think that's different 22 than the topics here. 23 So if you know the answer, you can give it, 24 but if it goes to securitization, I think that's</p>	<p style="text-align: right;">Page 84</p> <p>1 A. Yeah. We had a quality process. 2 Q. Okay. What was the quality process? 3 A. The quality process was we had a quality 4 group that reviewed loans in various statuses -- I 5 don't recall, you know, what statuses -- to verify 6 that program guidelines were followed when 7 originating loans. 8 Q. How often did that occur? 9 A. It was ongoing. I don't exactly recall if 10 it was done daily, weekly, monthly, but it was 11 ongoing. I wasn't part of the quality group. It 12 was kind of behind the scenes, like an internal, you 13 know, quality audit. 14 Q. Were you advised of what the audits 15 revealed? 16 A. Yes. 17 Q. I know this may be a difficult question to 18 answer, but generally, what did the audits reveal in 19 terms of the analysts checking for over-borrowing 20 and preventing over-borrowing? 21 A. Honestly, it's been so long. I don't 22 recall what that -- what the quality reflected. 23 Q. Was over-borrowing a problem? 24 A. Not to my --</p>

THE FIRST MARBLEHEAD CORP. 30(b)(6)
TASHANNA B. GOLDEN vs NAT'L COLLEGIATE

November 20, 2019
85-88

<p style="text-align: right;">Page 85</p> <p>1 MR. FONTENELLI: Objection.</p> <p>2 A. Not to my recollection, but again, it's</p> <p>3 been so long.</p> <p>4 Q. In the next page, this is what we were</p> <p>5 talking about a moment ago, that the disbursement</p> <p>6 date controlled which academic year the loan was</p> <p>7 counted towards.</p> <p>8 A. Uh-huh.</p> <p>9 Q. I'm going to ask you to take a look at the</p> <p>10 page on the bottom that's numbered 1459.</p> <p>11 A. Okay.</p> <p>12 Q. So there were special rules for the</p> <p>13 continuing education loans --</p> <p>14 A. Yeah.</p> <p>15 Q. -- that you described earlier?</p> <p>16 A. Yes.</p> <p>17 Q. It says here, "TERI continuing education</p> <p>18 loans are considered part of the school-based" --</p> <p>19 A. Based channel.</p> <p>20 Q. -- "channel rules, and therefore, the TERI</p> <p>21 continuing education loans would not be calculated</p> <p>22 as part of the annual direct-to-consumer limit."</p> <p>23 What does that mean?</p> <p>24 A. So my recollection was TERI CEL loans, I</p>	<p style="text-align: right;">Page 87</p> <p>1 loans of \$30,000 but needed a TERI continuing</p> <p>2 education loan, that borrower would get that loan?</p> <p>3 MR. FONTENELLI: Objection.</p> <p>4 MR. FIALKOW: Objection.</p> <p>5 A. Depending on what the program guidelines</p> <p>6 said.</p> <p>7 Q. So did it -- when this was going on, did</p> <p>8 FMER ever look to what the cost of attendance was at</p> <p>9 the particular institution to determine whether or</p> <p>10 not adding the continuing education loan -- the TERI</p> <p>11 continuing education loan would have bumped the</p> <p>12 borrower above the cost of attendance?</p> <p>13 MR. FONTENELLI: Objection.</p> <p>14 A. So we're talking about if you had DTC loans</p> <p>15 at your max --</p> <p>16 Q. Yes.</p> <p>17 A. -- and somebody came in for a TERI CEL</p> <p>18 loan?</p> <p>19 Q. Yes.</p> <p>20 A. Based on this and based on what most of the</p> <p>21 guidelines or some of the guidelines, my</p> <p>22 recollection about TERI CEL, it was -- our</p> <p>23 responsibility was not to count one against the</p> <p>24 other for purposes of annual limits.</p>
<p style="text-align: right;">Page 86</p> <p>1 believe, the -- generally speaking, the limits were</p> <p>2 less, the continuing education loans for TERI. So</p> <p>3 loans originated under the TERI CEL program would</p> <p>4 not count towards the DTC loan limit annually or</p> <p>5 aggregate.</p> <p>6 Q. Why not?</p> <p>7 MR. FONTENELLI: Objection.</p> <p>8 A. They were different loan programs, and</p> <p>9 again, that would have been outlined in the program</p> <p>10 guidelines.</p> <p>11 Q. Was there any consideration given -- when</p> <p>12 the TERI CEL loans, C-E-L loans, were not calculated</p> <p>13 towards the direct-to-consumer limit, was there any</p> <p>14 consideration given for what the costs -- the actual</p> <p>15 costs of attendance was for the student --</p> <p>16 MR. FONTENELLI: Objection.</p> <p>17 Q. -- for that school?</p> <p>18 A. I'm sorry. I'm not following.</p> <p>19 Q. It wasn't a very clear question. I'll try</p> <p>20 to ask it again.</p> <p>21 So the TERI CEL limits were less than --</p> <p>22 A. Generally speaking.</p> <p>23 Q. -- generally speaking, so if I'm reading</p> <p>24 this correctly, if a borrower had -- already had</p>	<p style="text-align: right;">Page 88</p> <p>1 Q. Was FMER prohibited -- not allowed to count</p> <p>2 the two loans together even if -- strike the</p> <p>3 question.</p> <p>4 What you just said was FMER was allowed to</p> <p>5 not count the continuing education loan towards the</p> <p>6 annual borrowing limit?</p> <p>7 A. For DTC.</p> <p>8 Q. For DTC. So the person could get</p> <p>9 additional continuing education loan even if it</p> <p>10 was -- he or she was already maxed on the DTC limit</p> <p>11 of, say, for example, \$30,000?</p> <p>12 MR. FONTENELLI: Objection.</p> <p>13 MR. FIALKOW: Objection.</p> <p>14 A. If that's what the program guidelines say.</p> <p>15 Q. Would the borrower be able to get the TERI</p> <p>16 continuing education loan on top of the DTC loan,</p> <p>17 loan limit, even if that was more than what the</p> <p>18 school needed or was required to pay for the</p> <p>19 education?</p> <p>20 MR. FONTENELLI: Objection.</p> <p>21 Q. What I'm getting at is --</p> <p>22 A. If the guidelines don't prohibit it. We</p> <p>23 were carrying out what the guidelines reflected.</p> <p>24 Q. If the guidelines didn't prohibit the two</p>